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1. The ban on the importation of foreign-manufactured paper has been lifted. Starting in August the Chinese Communists are concentrating on buying paper from abroad, including all types of news print and bond.
2. The export of certain new items has been prohibited. Hemp, which formerly could be freely exported, is now under a strict ban.
3. During June and July major efforts were made to buy cotton yarn. Large quantities of cotton cloth and cotton yarn have been shipped to North China for re-shipment to Manchuria and elsewhere in China.
4. On 1 June 1951 the Chinese Communist authorities instructed firms in the cotton producing areas of China to sell whatever cotton they had in stock in order to meet demands of the various cotton-spinning factories.
5. However, from 1 June to 15 August the purchases resulting from these sales have not resulted in the acquisition of raw cotton in the anticipated and estimated quantities. Statistics compiled by the Committee of Finance and Economics show the following purchases of raw cotton throughout China: June, 422,000 piculs; July, 546,000 piculs; 1 to 15 August, 128,400 piculs. These purchases are about 1,200,000 less than the Committee of Finance and Economics estimated would be available. The Committee believes that under present conditions it is possible to collect an additional 200,000 piculs by purchase. Therefore China will have a deficit of 1,000,000 piculs before the new crop of raw cotton comes onto the market.
6. In order to adjust to the situation the Committee of Finance and Economics has ordered the cotton spinning factories to reduce the number of spindles in operation and to decrease the number of working days. Until the new crop of raw cotton is available, each cotton spinning factory shall work an aver-

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ave of eight shifts per week, working four day shifts and four night shifts, or three day shifts, and five night shifts. In no case will a factory work more than ten shifts per week.

Saw a last spring five government textile mills which the Chinese Communists took over from the Nationalist Government have moved to Lanchow from Shanghai, Wuhan, and Fanychow. There are now more than ten large textile mills in that town.

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